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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/711,578	11/13/2000	Nora Femenia	2043.003US1	7170
49845 7590 12/11/2008 SCHWEGMAN, LUNDBERG & WOESSNER/EBAY P.O. BOX 2938 MINNEAPOLIS, MN 55402			EXAMINER FISCHER, ANDREW J	
			ART UNIT 3621	PAPER NUMBER
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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/711,578
Filing Date: November 13, 2000
Appellant(s): FEMENIA ET AL.

John M. Dahl

A statement identifying by name the real party in interest is contained in the brief.

For Appellant

EXAMINER'S ANSWER

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This is in response to the appeal brief filed 08/08/2006 appealing from the Office action mailed 01/10/2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is not correct. A new grounds of rejection is contained in this Examiner's Answer.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

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6,556,974

D'Alessandro

4-2003

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Allowable Subject Matter

1. Claims 9 and 19 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 1-8, 10-18 and 20 are rejected under 35 U.S.C. 103 (a) as being unpatentable over Tavor et al. (U.S. Pat. No. 6,553,347) in view of D'Alessandro (U.S. Pat. 6,556,974).**

As per claims 1, 2, 5, 6, 10-12, 15 and 20 Tavor substantially discloses a method for conducting one to one commercial negotiations (**negotiating or managing a dispute between a user and a vendor**) through an electronic medium such as the Internet, comprising:

automatically receiving information relating to the dispute from one of an initiator and a respondent, the initiator and the respondent being parties to the agreement (initiator and a respondent or user and vendor) see., abstract, col 4, lines 20-41, specifically wherein said that the negotiation process features one or more exchanges between the user and the system, including discounts given by the system and responses to the price offers of the user. The limitation "the

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initiator and the respondent being parties to the agreement” is also disclosed by Tavor in col 12, lines 13-28); and

iteratively providing portions of the information to the other of the initiator and the respondent in accordance with predetermined criteria relating to either a rating of a portion of the information supplied after a start of the dispute by the initiator or the respondent, or relating to the number of portions of the information to be provided at an iteration (see., abstract, col 4, lines 20-41, specifically wherein it is stated that the system offers the product for a specific price, a price that may be optionally decreased as negotiation continues, please note that the specific price is interpreted as the portion of the information.

Tavor fails to explicitly disclose the step of “predetermining criteria”. However, D’Alessandro discloses a method for evaluating current business performance. A predetermined set of performance criteria are measured by the use of an automated employee and non-employee interview system (see., abstract, col 3, lines 1-21).

As per the predetermined type of criteria being claimed, the Examiner submits that no patentable differences exist since a plurality types of predetermined criteria may exist. Thus, the type of predetermined criteria does not affect the functioning of the system of Tavor since data is data in computer manipulation. Incorporating such types of criteria in the system of Tavor would have been obvious to one of ordinary skill in the art at the time of the invention in order to evaluate and forecast of the business entity’s performance.

As per claims 3, 13, and 16 Tavor discloses the claimed method wherein the received information includes at least one factor and an evaluation of the desirability or cost of the factor (see., 2, lines 56-61).

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As per claims 4, and 14 Tavor discloses the claimed method wherein the at least one factor includes at least two of historical harm, future harm, an incentive, a punishment, a request, an offer, and a desired outcome (see., col 2, lines 31-41, lines 56-61).

As per claims 7, 8 and 17-18 Tavor discloses the claimed method of automatically proposing an agreement to resolve the dispute (or negotiation) based on the received information (see., col 12, lines 13-28).

NEW GROUNDS OF REJECTION

Claim Rejections - 35 USC § 101

Claims 1-10 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent¹ and recent Federal Circuit decisions, a §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008) (*en banc*).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

To meet prong (1), the method step should positively recite the other statutory class (the thing or product) to which it is tied. This may be accomplished by having the claim

¹ See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

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positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed.

In this particular case, the claims fail prong (1) because the method steps are not tied to a machine and can be performed without the use of a particular machine. Additionally, the claims fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

Independent claim 1 recites a method of receiving information and iteratively providing - neither of which are tied to a statutory class of matter, or involve a transformation of subject matter to a different state or thing.

(10) RESPONSE TO ARGUMENTS

Applicant's arguments filed on 10/19/2005 have been fully considered but they are not persuasive.

In response to Applicant's arguments, Applicant argues that the prior art of record (Tavor and D'Alessandro) fail to disclose or suggest the recited feature:

a. **“managing or resolving a dispute regarding a preexisting agreement”**. Based upon the foregoing rejection detailed above, it is believed that Tavor discloses this assertion in the abstract, col 4, lines 20-41, specifically wherein said the negotiation process features one or more exchanges between the user and the system, including discounts given by the system and responses to the price offers of the user. The limitation “the initiator and the respondent being

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parties to the agreement” is also disclosed by Tavor in col 12, lines 13-28. Please note that response to the price of the user is interpreted as a step of resolving a price dispute.

b. “receiving information from parties to a dispute regarding a pre-existing agreement”. As stated above, Tavor discloses this limitation in the abstract, col 4, lines 20-41, specifically wherein said the negotiation process features one or more exchanges between the user and the system, including discounts given by the system and responses to the price offers of the user. The limitation “the initiator and the respondent being parties to the agreement” is also disclosed by Tavor in col 12, lines 13-28.

c. “consider iteratively providing portions of information ...”. However, the Examiner respectfully disagrees with this assertion since Tavor discloses this limitation in the abstract, col 4, lines 20-41, specifically wherein said system offers the product for a specific price, a price that may be optionally decreased as negotiation continues, please note that the specific price is interpreted as the portion of the information.

d. Applicant also argues that D’Alessandro fails to disclose “a predetermined criteria”. However, D’Alessandro discloses a method for evaluating current business performance. A predetermined set of performance criteria are measured by the use of an automated employee and non-employee interview system (see., abstract, col 3, lines 1-21).

As per the predetermined type of criteria being claimed, the Examiner submits that no patentable differences exist since plurality of types of predetermined criteria may exist. Thus, the type of predetermined criteria does not affect the functioning of the system of Tavor since data is data in computer manipulation. Incorporating such types of criteria in the system of Tavor would have been obvious to one of ordinary skill in the art at the time of the invention in order to evaluate and forecast of the business entity’s performance.

Appeal Conference

No.	Claim 1	Tavor US6,553,347	D'Alessandro US 6,556,974
1	managing a dispute as recited in claim 1 is readable as negotiating a dispute	ABSTRACT	
2	Receiving a dispute from one of an initiator and a respondent. An agreement between an initiator and respondent (an agreement between a user and a vendor)	Abstract, col 4, lines 20-41. Please note that an initiator and respondent is readable as a user and a vendor. An agreement see col 12, lines 13-28	
3	Portion of the information is interpreted as a specific price. A rating of a portion of the information is interpreted as a discount or incentive.	Col 4, lines 20-41	Col 3, lines 1-21. Predetermined criteria.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

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Respectfully submitted,

Christopher Johns

Examiner

ART UNIT 3621

Vincent Miller
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Appeals
Practice
Specialist

Andrew J. Fischer
ANDREW J. FISCHER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

Wynn W. Coggins

WYNN W. COGGINS
TECHNOLOGY CENTER DIRECTOR